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**FISCAL IMPACT STATEMENT**

**LS 7184**

**BILL NUMBER:** HB 1806

**NOTE PREPARED:** Jan 5, 2003

**BILL AMENDED:**

**SUBJECT:** Election Day Sales of Alcoholic Beverages.

**FIRST AUTHOR:** Rep. Alderman

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows the sale of alcoholic beverages on election days.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** Removing the prohibition of the sale of alcoholic beverages on primary, general, and certain special elections could have a minimal impact on the Alcohol and Tobacco Commission (ATC) insofar as it would require the Commission to make adjustments in the patrol schedules of its current excise officers.

**Explanation of State Revenues:** This bill removes the prohibition against selling alcoholic beverages when the polls are open for a general, primary, or special election.

While it is assumed that the majority of consumers are able to purchase all the alcoholic beverages they desire to consume within the hours dictated by current law, it is possible that the added convenience and availability of election day alcohol sales may encourage consumers to purchase a slightly greater quantity of alcoholic beverages than they would have otherwise. An increase in the overall quantity of alcoholic beverages purchased would increase state revenue from the excise taxes assessed on alcoholic beverages. The extent to which consumers may make additional purchases above what would be purchased under current law is unknown.

Based on the December 18, 2002 Revenue Forecast, excise taxes on alcoholic beverages are expected to generate a total of \$36.1 M in FY 2004 and \$36.0 M in FY 2005. The excise taxes on alcoholic beverages are assessed on a per gallon basis and the taxes are typically collected at the wholesale level. The excise taxes

collected on alcoholic beverages vary by product and by the fund to which the tax is dedicated. Revenue from alcoholic beverage excise taxes is distributed into the State General Fund, the Post War Construction Fund, the Pension Relief Fund, the Addiction Services Fund, and the Wine Grape Market Development Fund.

Any impact on Sales Tax revenue is expected to be minimal since any additional purchases of alcohol would likely reduce consumer spending on other sales taxable items.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Fifty percent of the revenue from the excise tax on alcoholic beverages distributed to the state General Fund is set aside for state General Fund purposes and 50% is allocated to cities and towns based on population.

**State Agencies Affected:** Alcohol and Tobacco Commission.

**Local Agencies Affected:**

**Information Sources:** Alcohol and Tobacco Commission; *December 18, 2002, Revenue Forecast Update*

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